

*The VERMONT Brand*  
*and*  
*its potential for licensing with state-based companies*

A report to the General Assembly  
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## Executive Summary

This report was requested by the 2005 legislature as part of the legislation that created the Chief Marketing Officer Position. Specifically, the legislature requested ***a report to the general assembly on the potential for licensing a state-owned Vermont brand to state-based companies***. An evaluation of a program of this type must be done within the context of a comprehensive brand strategy and program. Currently, state agencies and departments do not use a consistent brand identity in their marketing materials. The brand identity includes elements such as look and feel, style, logos, and a clear emphasis on a brand promise found within the written message or communication. While there are examples of collaboration in marketing activities where a shared design and message have been used, there is no dominant brand identity. The value of a state-owned brand may be viewed as weak by some companies unless we can first establish a consistent use of a brand identity by the state's own agencies and departments.

The key recommendations are:

- First complete the brand identity to include: agreement on a brand promise and development of a brand manual that provides design, color, style, and other “look and feel” guidelines for marketing materials.
- Once established, there should be general communication and education of the brand identity with key brand stakeholders within state agencies and departments
- This awareness campaign should be followed by incorporation of the brand identity in all new marketing activity.
- Any logo, icon, emblem, or other representation of the Vermont brand used for licensing or partnership purposes shall be based on the completed brand identity.

Vermont companies and their products play an important role in promoting the state and should be included as another marketing channel for the Vermont brand. Statutory language already exists providing a structure to develop and launch a program that licenses a Vermont brand. Further exploration will be needed to determine how the program will operate including, but not limited to: criteria for licensing; potential for fees; and company oversight.

## Introduction

The 2005 Legislature created a Chief Marketing Officer (CMO) position in order to coordinate statewide marketing activities with the intended benefit of realizing efficiencies and savings. One of the specifically named CMO's responsibilities was to report to the general assembly on the potential for licensing a state-owned Vermont brand to state-based companies; and shall include necessary statutory changes and an estimated time line for establishing the Vermont brand program. An evaluation of a program of this type should not be done without consideration for a comprehensive plan to promote the Vermont brand. This includes completion of the Vermont brand identity and agreement on a brand promise that all state agencies and departments can adopt.

Therefore, this report seeks to outline the current situation of statewide marketing efforts, a discussion of the Vermont brand, and the recommendations for establishing and promoting the Vermont brand through state agencies and departments and state-based companies. The plan outlined in this report is focused on the use and further promotion of the Vermont brand and does not address other coordination activities occurring in parallel. Consolidation of marketing vendors and continued transition toward existing graphic standards are examples of these parallel activities.

## Current Situation

Throughout November and December of 2005, I met with the heads of the six state agencies plus ten departments. The departments represented a range of audiences, types of services, and each performed different types of marketing. The key objectives of these meetings were to:

- Open a line of communication between myself and the agency or department
- Agree on the definition of marketing
- Learn about the agency's or department's functions and its audience(s)
- Understand marketing related issues and concerns faced by the agency/department
- Communicate my short term goals and gather feedback

These meetings confirmed much of what is already known – specifically that agencies and departments are on their own to market their specific services to their audience with little access to shared resources. Without a clearly identified *and agreed upon* “look and feel”, image, message, and style to use, some groups have defined an identity specific for themselves and their audience.

The use of different marketing vendors to create websites, brochures, and advertising has also contributed to the differences between state groups. This approach is not only an inefficient and duplicative use of time and resources; it also contributes to a fragmented and confusing view of state government.

While there were clearly concerns over losing the individual identity of the agency or department, the concept of a brand identity, or common visual look, that everyone could use is accepted. Some departments are working together on marketing activities, such as “co-branded” brochures or ads, in order to share cost and reach a broader audience.

### **Example of Collaborative Marketing:**

*Cultural Heritage Month brochure - a fold-out multi-page brochure highlighting information on state parks, historical sites, and agricultural exhibits and events. This single brochure effectively represented:*

- 4 state agencies
- 6 state departments
- Numerous Vermont businesses, events, and locations

Collaboration among state groups and between the state and private business exists today in self-organized efforts to promote Vermont. These examples are helpful for identifying shared audiences and finding areas where consensus on a brand identity already exists. However, use of a dominant or prevailing identity has not occurred as a result of these collaborations.

In the December 2004 Report of the Committee on Coordination and Consolidation of Vermont Tourism and Marketing Functions, the committee found that MAP (Marketing and Promotion Group) partners “have been free to ignore collaboration opportunities” and “have dragged their feet on adopting a unified brand strategy, preferring their own departmental identities.” It also recognized the importance of the brand and the impact it has in many segments of the state’s economy – further supporting the role of a unified Vermont brand.

My own conclusions based on agency and department meetings are much in agreement with this report. With that said, there is a clear consensus among the persons I have met with that coordination of marketing activities will bring the state greater efficiency and effectiveness.

A statewide brand identity would make it easier and possibly encourage further marketing collaboration. Furthermore, the brand has the opportunity to become more powerful and robust with a greater number of organizations using and promoting it in a consistent manner. Consistent use of a single brand identity helps create the value needed to entice Vermont businesses to invest in a Vermont brand program.

Collaborative advertising or other promotion among state agencies and departments, and especially with private businesses, cannot be fully realized until a single brand identity is established. This brings us to the discussion of the Vermont brand and why it is central to the success of future

coordination of marketing within the state and with private business.

## Discussion

The potential for a brand licensing program is heavily dependent on the strength of the brand. The previous summary of state marketing activities illustrated that a single brand identity is not being used by agencies and departments statewide. Consideration of licensing the Vermont brand to private businesses must follow the establishment of the brand among state entities. Otherwise, the licensing program risks being ineffective or appealing to only a narrow audience. The following is a discussion of the Vermont brand, the importance of knowing who your audience is, and the benefits a strong brand can bring the state.

### *What is the Vermont brand?*

A brand is more than a logo or slogan. A brand is best defined as the compilation of emotions, thoughts, feelings, associations and expectations that come to mind when a customer is exposed to an entity’s name, logo, products, services, or any design or symbol representing them. Brands are used by consumers to aid in quick decision making. In some cases, branding causes consumers to discard factual or logical thought processes in favor of the “emotional” feelings we have for a particular product, service, or in this case, place.



There are a few Vermont branding studies that have provided us with an initial understanding of what visitors, residents, and businesses think of Vermont. The findings of brand research performed in 1998 and again in 2003 by O’Neil Strategy

Group showed Vermont's brand attributes among visitors to be:

- Beautiful;
- Peaceful;
- Natural, Pure;
- Year Round Outdoor Fun; and
- Authentic, Genuine.

Complementing these attributes is the brand personality described as:

- Hard working;
- Friendly; and
- Respectful of Environment.

While these descriptions may accurately describe Vermont's attributes and people, discussion with some agency and department leaders suggest that this image does not resonate with their audience and has little relevance to the services provided by their organizations. For example, these attributes may not be important when deciding to move or open a business in Vermont.

Another branding study performed by O'Neal surveyed business owners and managers on the brand attributes and personality of Vermont. The findings had some similarities to the study of visitors, but there were also striking differences. Brand attributes among business owners and managers were:

- Beautiful, peaceful
- Natural, outdoor fun
- Dedicated workforce
- Isolated
- Inadequate infrastructure
- Over regulated

Brand personality among business owners and managers was described as:

- Hard working
- Independent
- Creative
- Progressive
- Anti-growth

The point here is not to challenge the well established and successful Vermont destination brand. Continual third party

recognition reminds us that an external audience values Vermont as a place. The contrast is meant to show how different audiences perceive the brand. This is important to understand if a shared brand identity is going to be used across agencies and departments with different audiences.

A positive image for Vermont among targeted audiences, such as a skilled workforce, businesses, and other sectors of the economy is important for attracting talent and investment within the state. The report from the July 2005 Governor's Summit on the Vermont Destination also recognizes the role of a "shared vision and productive activities among the primary sectors of Vermont economy."

An attempt at a shared brand image that would represent key sectors of the Vermont economy has already begun. In June 2005 the Agency of Agriculture, Department of Tourism and Marketing, Agency of Administration, and Department of Economic Development joined together in two work sessions to reach consensus on a single brand promise. The sessions, facilitated by Place Creative Company, resulted in again, slightly different findings. They perceived Vermont's core brand attributes to be:

- Stewardship;
- Active lifestyle;
- Accessibility;
- Integrity; and
- Motivated people.

The brand personality was described as:

- Authentic;
- Creative;
- Friendly;
- Traditional; and
- Progressive.

Again, these differences illustrate that different audiences have different perceptions of Vermont. This will play a role in identifying a shared brand promise and how that is visually represented through the

brand identity. For example, visual imagery, such as photography, may show a greater emphasis on people living active lifestyles in a backdrop of Vermont's beautiful scenery.

While achieving a shared brand identity may seem difficult, collaborative marketing efforts among state agencies, departments, and private organizations currently support this aim on a smaller scale.

***Examples:*** Promotion of Vermont Days • Advertising for the VT destination by Dept of Tourism and Marketing in partnership with Cabot and the Ski Area Association • Youth Risk Behavior Survey by Dept of Health with Dept of Education • Dept. of Human Resources posting of jobs for state agencies and departments.

Many of these collaborations have occurred as a result of organizations finding ways to do more with less. Sharing resources and gaining access to a wider audience are both benefits of inter-agency/department and business collaborations. The success and in some cases, the growth of these partnerships can be attributed to the effective delivery of a relevant message to a shared customer base with similar needs.

Agreement on the scope of the Vermont brand and the audiences that are being considered is important in establishing a brand that all agencies and departments can benefit from. Without first establishing this, we cannot achieve the desired goals of efficient and consistent communication of the Vermont brand. Continued work on identification of the Vermont's customer segments will be an important step in completing a brand identity.

### ***Benefits of a shared brand identity***

Successful execution of the brand by state agencies and departments will mean that each will have to speak with one voice and use the same look and feel within their marketing materials. In order to do this we need to agree on a single brand identity.

The benefits of accomplishing this will allow the state to:

**Save time and money.** By establishing a common message and creating the tools that visually represent the brand, we can decrease the amount of time and money spent among the individual groups attempting to create this on their own. Marketing efforts performed by state departments can focus on implementation and outcomes rather than design and development.

**Support statewide goals.** The successful branding of Vermont should also support the overall goals of the state and its individual agencies and departments. Some of these may be:

- increase tourism revenues,
- recruitment and retention of profitable businesses,
- improve opportunities and bring higher wages for Vermonters, and
- increase participation in services and programs.

**Increase promotion.** In some cases, departments have performed little to no marketing because they lacked the expertise, time, and resources to do so. By providing a package that includes a consistent message and the tools that visually represent the brand (eg. Logo, color palette, design templates, standards), departments may find it easier to promote their services.

**Improve quality.** Departments that have made marketing efforts in the past may not have done so effectively or used resources in the most efficient manner. A brand identity with clear guidelines for style, design, and production will bring a consistent and professional look to the materials.

**Realize synergies.** Synergy can be described as an increase in the value of assets as a result of their combination.

Imagine a sled that is being pulled in slightly different directions. While the sled may make some forward progress, that progress can be exponentially increased if the forces are pulling in the same direction. The strength of the Vermont brand can be similarly increased by using all the state agencies and departments to promote it in the same way.

## Recommendations

It should be clear that additional work is needed before a Vermont brand program with private businesses can be created and implemented. This work starts with developing a plan that includes finding agreement on the brand identity among the key brand stakeholders.

The remainder of this report proposes a plan to complete the branding work already started and addresses the timing of a potential Vermont brand program with private Vermont businesses. *This plan is proposed with the assumption that funding and resources exist to support it.*

- **Identify Targeted Customer Groups.** Identification of the types of “customers” that Vermont wants to attract through the promotion of the brand is the first step. This will give us the key stakeholders which will play an important role in completing the brand identity.
- **Brand Work Group.** Identify a representative group of Vermont brand stakeholders to drive the completion of the brand identity. This means agreement on the Vermont brand attributes, personality, and brand promise. It also includes evaluation of the need for a Vermont message or slogan that would more clearly convey the brand promise with relevance to all target audiences.

- **Brand Identity.** The objective of the brand work group will be to agree on the brand identity that will be used in marketing agency and department services. Additionally, this identity will be the guide for possible partnerships with the private sector.
- **Research.** While much of the needed brand research has been done, a search for additional existing data that supports the understanding of each audience may be needed. Examples of research that may be included are:
  - Generational Research Study – proposals for a study perceptions and attitudes of adults 18-30 years of age being considered by DED
  - *Pulse of Vermont*, Quality of Life Study, 2005 – published in December 2005 by the Vermont Business Roundtable
  - Other market evidence as provided by Vermont’s business leaders
- **Tools.** In order to effectively implement the brand identity, an intangible concept, tools are needed. These include the visual images, colors, slogans, standards, and templates that help to form the identity of the brand. At a minimum, the following tools should be developed:
  - A brand manual that verbally describes the message and visually defines the brand with rules for the logo, colors, and look and feel.
  - Templates that are consistent with the brand standards (or rules) for use in creation of marketing and communications materials.
  - Support resources that may be used by brand stakeholders throughout the implementation and education campaign. This might be in the form of a website or person. The CMO’s office should also be available to help identify opportunities for collaboration.



- **Education & Awareness.** Rollout the brand identity and tools to statewide agencies, departments, and contracted vendors performing marketing work. The CMO would lead the effort to work with persons performing marketing functions showing each how to access the tools and apply the new brand identity to their marketing projects.
- **Outcomes.** Improvement in marketing efficiency and other benefits should be measured to show how this effort has impacted agency and department performance. Tracking for compliance in the short term should also be included.

### ***Private Sector Partnerships***

While the goal is first to achieve consistent use of a shared brand identity among state agencies and departments, it is recognized that Vermont products are an important channel for promoting the Vermont brand. Vermont businesses can provide greater visibility to the state through their products and their own promotional activities. A good example where this is already being done is the Agency of Agriculture's Seal of Quality program.

The original intent of the Seal of Quality program was to assist Vermont agricultural producers with selling their products in a competitive marketplace. The seal continues today to indicate that a threshold of high quality has been met and provides products a competitive advantage in the marketplace. Past promotion of the seal and years of use by high quality products and successful companies has led to the high rate of recognition among consumers.

Other states have similar programs, such as Idaho Preferred, Maine State Quality Trademark, Fresh From Florida, and Jersey Fresh that exist to promote the agricultural products of their states in a competitive market. Expansion of this concept beyond agricultural products seems to make sense as it would serve to promote Vermont products and the businesses that produce them. It also could benefit the state's efforts to promote Vermont's brand.

Existing language under the *Market Vermont Program (Title 3, Chapter 47; 3 V.S.A. § 2502)* provides the structure and authority to develop a public-private sector program designed to leverage private sector resources to promote the Vermont Brand. (Previous programs that operated under this language would not be resurrected. The language would be used for its authority to establish such a program.) Development of such a program assumes the establishment of a single brand identity among state agencies and departments.

Considerable work would need to be done to make this program a success for both the state and businesses. Additional evaluation of the potential and structure for the program would be required. The key considerations to be included in this evaluation are outlined in a highlight on page 8 of this report.

## Considerations for licensing the Vermont brand

Licensing is an accepted approach to building the long term value of a brand. Careful execution and monitoring of the program will influence its success. Existing statutory language provides the structure for development of a brand promotional program. The following questions must be considered in a future evaluation of a Vermont brand program.

### What is the **value** to businesses? Is there a **demand** for a state-owned Vermont brand?

- Similar programs have experienced a range of demand among private entities for association with a Vermont name or broader brand.
  - Over 600 – Number of participants in the Seal of Quality program
  - Two – Number of Vermont state craft center designations
- The decision to participate in a Vermont brand program will impact the businesses marketing strategy including, costs for changes to packaging and promotional materials.
- Would businesses be willing to pay a fee for use of the Vermont brand? How much would they be willing to pay?

### Who should be **eligible**?

- There is a wide range of industries that operate within the state from food to manufacturing to technology to services and hospitality.
- Criteria for eligibility should be developed by a representative group of state and private business individuals. Criteria may include considerations for industry type, product type, quality, alignment with the Vermont brand, and financial stability.

### What is being licensed?

- Licensing of a brand is typically represented by a visual identity through the use of a logo, emblem, seal or a combination of colors or other design elements.
- The state currently has two recognized logos – Moon Over Mountains Vermont logo and the Vermont state Coat of Arms
- What is the visual identity that should be used for a Vermont brand licensing program?

### Is it a **complement or substitute** for existing Vermont brand programs?

- Programs that use the Vermont name or brand as an association currently exist for industry specific products.
  - Agricultural – Seal of Quality
  - Crafts – Vermont Craft Center Designations
  - Wood Products – Proposed Vermont Quality Wood Products brand promotion



### What is the **responsibility** of the state?

- Operating a brand licensing program requires significant resources in the form of staff time and money.
- Components of a program may include any of the following:
  - Advisory board
  - Development of eligibility criteria
  - Development of brand icon (logo, emblem, or seal) and guidelines for use on products and in marketing materials
  - Education and awareness to inform consumers to “look for the brand”
  - Education and awareness targeted to businesses to apply for the program
  - Ongoing monitoring of appropriate use and compliance with eligibility criteria
  - Tracking of outcomes

### What are the desired **outcomes**? How will they be **measured**?

- The benefits derived from the program should be clear for both the state and business.
- Expected outcomes should be documented, tracked, and measured to ensure success of the program and to justify costs to both the state and businesses.

### Timeline for Implementation

The timing of completing the brand identity and brand tools is targeted for mid-2006 in order to begin implementation at the start of the new fiscal year with new marketing projects. Ongoing communication with the state agencies and departments will be important to avoid unnecessary work or planning of marketing activities that would conflict with the brand. The CMO will begin working with MAP members in the development of their marketing plans throughout late Winter and Spring of 2006.

The table below shows approximate timing for each major step of the brand strategy, which includes plans for evaluation and potential launch of a Vermont brand program for Vermont businesses. A more detailed project plan with assigned resources and deadlines would need to be created to ensure the plan stays on track. The bottom half of the table includes high level tasks that need to occur simultaneously in the coordination effort.

		1 Q 2006	2 Q 2006	3 Q 2006	4 Q 2006	1 Q 2007	2 Q 2007	2007/2008
Brand Strategy	Identify group to guide completion of brand identity							
	Determine what research or additional information is needed							
	Complete research and collect all information							
	Complete a full visual identity for the brand							
	Rollout brand identity through brand manual and marketing toolkit to statewide agencies and departments							
	Transition period for new marketing efforts to brand identity							
	Evaluate Vermont brand program for state-based businesses					Potential launch		
	Assess the penetration of the Vermont brand among key customer segments							
		Ongoing Communication						
Central Marketing Activity	Review of 2006/2007 Marketing Plans							
	Assessment of vendor use							
	Development of new marketing activity and expenditure guidance							
	CMO/Centralized marketing resources website							
	Graphic Standards Updates & Compliance Checks	Ongoing						

### Conclusion

Completion of the branding work already begun and in use by state agencies and departments is the first step in the effort to promote Vermont. Agreement on a consistent brand identity by key stakeholders within state government will be an important part of this process. Tools that can be created from the brand identity, such as the brand manual and marketing templates, will bring significant savings, efficiency, and improved effectiveness to the marketing activities performed by the state. A program that allows Vermont businesses and products to carry an emblem, logo, or seal that indicates a quality Vermont product would be a component of the Vermont brand strategy. The structure of the program and details of its operation still need to be explored. Timing of this report by the Chief Marketing Officer did not allow for this full evaluation to take place. Therefore this report has laid out the plan and key questions that need to be considered.